

UTEA : Letter of Understanding
Article 13 - Borland Arbitration Decision

In the course of the 1987 negotiations, the parties agreed to provide certain rights for those employees in limited term positions covered by the David Borland Arbitration Decision Number FMCS 87K/00191. For the purposes of this Letter only, such persons shall be referred to as "employees". Employees shall have all wages and benefits to which they are entitled under the Collective Bargaining Agreement. In addition, employees who accrue 1040 hours or more of continuous service after July 1, 1987 shall have the following rights.

1. Upon expiration of their appointment, employees shall have the right to place their names on recall lists for future permanent employment and shall have recall rights in accordance with Article 13. Upon recall, employees shall be considered as new hire for the purposes of relocation and travel expense reimbursement.
2. Upon expiration of their appointment, employees shall have the right to be recalled to a limited term position in seniority order in the district in which they were employed in the previous year if the Department intends to fill limited term positions. Upon recall, employees shall be covered by applicable Travel Regulations.

Office of the State Employer
George G. Matish
Bea Goree

United Technical Employees Association
Joseph Cohn

Michigan Department of Transportation
John Lopez

Date: October 19, 1987

Letter of Understanding
Article 16 - Transfers and Reassignments

During the course of the 1987 negotiations, the parties reached the following understanding regarding the implementation of Article 16 in the Department of Transportation only.

1. In considering applicants for transfer, the Department shall select the most senior qualified candidate in accordance with Article 16.
2. In considering reassignments, the Department shall select the least senior qualified candidate in accordance with Article 16.
3. "Qualified" shall be defined as: "Completion, in an approved manner, of all training required to perform the task or job, or performance of the requirements of the task or job, or performance of the task or job itself within the preceding twelve (12) month period."
4. For purposes of this Letter, qualification shall only be considered for individual employees at the lead worker level or above where there is no element system in place.

Office of the State Employer
George G. Matish
Bea Goree

United Technical Employees Association
Joseph Cohn

Michigan Department of Transportation
John Lopez

Date: October 19, 1987

Technical Unit Contract Addendum
Detroit House of Corrections Assumption Plan - Seniority

In recognition that House Bill 4392 provides the Michigan Legislature intent and authorization for the State assumption of the Detroit House of Corrections (DeHoco), and for the transfer of existing DeHoco employees to the Michigan Department of Corrections in accordance with a plan approved by the Michigan Department of Civil Service (the Assumption Plan), and in further recognition that the assumption Plan as proposed for adoption by the Michigan Civil Service Commission provides that City of Detroit continuous service of an assumed DeHoco employee shall be treated in accordance with the collective bargaining contract applicable to the position in which s/he is transferred, the parties hereby stipulate and agree that the Assumption Plan approved by the Civil Service Commission including the following provisions do and shall apply to DeHoco employees assumed into the Michigan Department of Corrections under the Assumption Plan.

1. Benefit Seniority/Bargaining Unit Seniority. Article 12, Section 1 and 2.
 - (a) All continuous service earned with the City of Detroit prior to assumption into state classified service shall be treated for all purposes, except layoff and recall, as if such City of Detroit service had been earned with the state classified service.
 - (b) For the purposes of layoff and recall only, Bargaining Unit seniority for comparative purposes shall only include City of Detroit continuous service hours when necessary to break a tie between employees in state classified service hours.
 - (c) The Bargaining Unit seniority of a DeHoco employee assumed into the state classified service under the Assumption Plan shall be the date of appointment into the state classified service for all comparative purposes, once said employee leaves DeHoco through any means.

United Technical Employees Association
Joseph Cohn

Office of the State Employer
George Matish
Bea Goree

Date: October 19, 1987

**Letter of Understanding
Payroll Deductions and Remittance
for Michigan Educational Trust**

The parties recognize that the State has offered state employees the opportunity for payroll deduction in conjunction with individual employee's participation in the Michigan Educational Trust (M.E.T.) Program. Members of the Bargaining Unit who are M.E.T. participants will be offered the opportunity to individually initiate enrollment in such state program.

It is understood that initiation and continuation of the M.E.T. payroll deduction program is subject to the provisions of applicable statutes and regulations, and will be administered in accordance with such laws and regulations. If either the State or Michigan Education Trust determines to alter, amend, or terminate such M.E.T. payroll deduction program, the State will provide UTEA advance notice and, upon request, meet to review and discuss the reasons for such actions prior to their implementation.

For purposes of administering contractual association security provisions and payroll accounting procedures, it is understood and agreed that such M.E.T. deduction, if and when individually authorized by the employee, will be taken only when the employee has sufficient residual earnings to cover it after deductions for any applicable employee organization membership dues or service fees have been made.

United Technical Employees Association
Mert Brushaber

Office of State Employer
James B. Spellicy

**Letter of Understanding
United Technical Employees Association
Flexible Benefits Plan**

During the 1995 negotiations between the State of Michigan and the United Technical Employees Association the parties agreed to continue the Flexible Benefits Plan.

The flexible Benefits Plan consists of the following programs and options which are available to Technical Bargaining Unit Members: (1) HMO, State Health Plan or Catastrophic Health Plan; (2) Preventive Dental coverage or Standard State Dental Plan or DMO; (3) Life Insurance at two times the employee's salary or Life Insurance at the lesser of one times the employees salary or \$50,000; (4) State Vision Plan; (5) Dependent Life Insurance Coverage.

Changes in benefits selections made by employees may be made each year during the annual enrollment process or when there is a change in family status as defined by the IRS. Any incentives to be paid will be determined in conjunction with the annual rate setting process administered by the Department of Civil Service and the State Personnel Director. The amount of incentive to be paid to employees selecting the lower-level of life insurance coverage is based on the individual employee's annual salary and the rate per \$1000 of coverage and therefore may differ from employee to employee.

United Technical Employees Association

Joseph Cohn

Date: May 9, 1996

Office of the State Employer

Patricia J. Coe

Date: May 8, 1996

**Agreement Between the
Michigan Department of Transportation and
United Technical Employees Association
Regarding Work Element Training and Selection**

Selection for Training:

There is some inconsistency between districts in the selection process. The Work Element Manual, page 2, states training in work elements will be based on seniority, availability of the work elements, and staffing requirements. It was agreed that:

1. Engineering supervision will select the most senior applicant for training in work elements which are available and which does not conflict with needed staffing.
2. If an applicant with seniority cannot be released when a needed work element becomes available, he or she will be assigned the next available opportunity for the training (Work Element Manual, pg 2).
3. Training opportunity will be balanced to include members in under utilized classes in accordance with principles of Civil Service and Michigan Equal Employment Opportunity Council Guidelines for Implementing Civil Service Rule 1.2b. Monitoring for consistency will be done by the central construction division staff.
4. Copies of the Work Element Manual will be distributed to all permanent and temporary technicians. If more manuals are needed, the responsible supervisor can obtain them by calling Lansing.

Processing Work Elements:

The Work Element Manual, page 3, states action will be taken by resident/project engineers within ten (10) work days of receiving a work element certification form. This time table has not always been met in actual practice. It was agreed that:

1. Except in emergency situations, engineering supervision will process the application within 15 work days of submission.
2. The manual states district panels will review applications at least quarterly. To this we would add that there must be no appreciable delay that would affect the applicant's eligibility for reallocation or promotion.
3. An application for work element certification must be submitted within one year of performance to guarantee recognition by the district panel (Work Element Manual, pg 3).
4. Most, but not all, district panels conduct the oral interview and documentation review on a one-on-one basis with a panel member. It is recommended that all panels do this as stated in the "Oral Interview Guidelines" memo dated October 8, 1979. It is also recommended that panel members be rotated to provide for distribution of this duty.

5. The district panel must transmit their action on all work elements processed to the applicants within 10 work days of the panel meeting.

Appeals Process:

Any applicant who feels there is a problem in their work element training or certification which cannot be resolved through normal channels may use the following appeals process:

1. The employee can submit the attached appeals form to the resident/project engineer with a statement concerning the problem within 10 work days of the event. If the appeal concerns a district panel decision it can be submitted directly to the district field engineer.
2. The resident/project engineer will review the appeal and attempt to resolve the problem within ten (10) work days of receipt. The results will be recorded on the form and forwarded to the district field engineer with a signed and dated copy returned to the employee.
3. If the problem remains unresolved at the project level, the district field engineer will review the appeal and make recommendations on the appeal form with copies returned to the resident /project engineer and the employee within ten (10) work days of receipt.
4. If the problem remains unsolved at the district level, the appeal will be forwarded to Lansing construction division for review and follow-up within 15 work days of receipt.
5. If the employee disagrees with this determination, a grievance may be filed at Step 2.

Michigan Department of Transportation
Faustino Pumarajo, Jr.

United Technical Employees Association
Joseph Cohn

**Letter of Understanding Between
Department of Agriculture, OSE and UTEA
Flex Time Work Schedule**

In accordance with Article 17 of the UTEA Collective Bargaining Agreement, the UTEA represented employees in the Laboratory division of the Department of Agriculture will be able to utilize a flextime work schedule in accordance with Laboratory Division policy.

United Technical Employees Association
Joseph Cohn
Date: October 14, 1992

Department of Agriculture
Barbara Hensinger
Date: October 20, 1992

Office of State Employer
William Whitbeck
Date: October 27, 1992

**Letter of Understanding
Between the
Michigan Department of Transportation
and the
United Technical Employees Association**

RE: Short Term Inter-District Reassignments

As a result of discussions between MDOT and UTEA the parties have agreed that the following procedure shall apply to all short term, inter-district reassignments of MDOT Construction Division personnel covered under the Collective Bargaining Agreement existing between UTEA and the State of Michigan.

- I. Short Term Inter-District Reassignments
 1. Short term reassignments are hereby defined as the reassignment of an employee from his/her current work location to a different work location for a period of one construction season (April 1 - November 30).
 2. In the event MDOT determines that short term reassignments are to be implemented, the following procedure will be used:
 - a. MDOT will determine the work location(s) from which employees are to be reassigned.
 - b. MDOT will determine the work location(s) to which employees are to be reassigned.
 - c. MDOT will determine the number of employees, the classification(s), level(s), and the work elements required for an employee to be eligible for reassignment.
 - d. MDOT will seek volunteers from among the eligible employees at the work location(s) which has/have been identified as over staffed.
 - e. Eligible employees will be selected on the basis of seniority beginning with the most senior employee.
 - f. In the event there are not enough volunteers, employees will be selected on the basis of inverse seniority beginning with the least senior eligible employee.
 3. No employee covered by this agreement will be subject to more than one (1) short term, inter-district reassignment per construction season.
 4. The length of the reassignment may be extended by mutual written agreement of MDOT and the individual employee.

5. Each reassigned employee will be entitled to expenses for full the duration of the reassignment.
6. Each employee will be returned to his/her previous work location at the end of the reassignment period.
7. The parties agree that the advance notification requirement contained in the Collective Bargaining Agreement shall not apply to the short term reassignments covered by this Letter of Understanding. However, MDOT agrees that it will give affected employees a minimum of five (5) calendar days notice.
8. All personnel transactions covered under this agreement will be documented before or immediately following the reassignment. Copies of all documents will be placed in the employee's personnel file.
9. Overtime will be handled in accordance with Article 17, Section 14, and the accompanying Letter of Understanding. Individuals will be equalized in the overtime equalization unit in which they spent the majority of their time in a calendar year.

United Technical Employees Association
Joseph Cohn
Date: June 6, 1994

Michigan Department of Transportation
Wayne E. Roe
Date: June 15, 1994

Office of the State Employer
Sharon J. Rothwell
June 20, 1994

VOLUNTARY WORK SCHEDULE ADJUSTMENT PROGRAM
UNITED TECHNICAL EMPLOYEES ASSOCIATION

Participation shall be on an individual and completely voluntary basis. An employee may volunteer to participate in the Program by submitting a completed standard Voluntary Work Schedule Adjustment Agreement form to his or her supervisor. Employees continue to have the right, by not submitting a standard agreement form, to not participate in any of the Program's two plans.

Discretion to approve or disapprove an employee's request to participate in Plan A and/or Plan C is reserved to the supervisor and Appointing Authority. In all other cases, once approved, the individual agreement may be terminated by the Appointing Authority or the employee upon giving ten (10) working days written notice to the other (or less, upon agreement of the employee and the Appointing Authority). Termination shall be at the end of the pay period. Termination of the agreement by the Appointing Authority shall not be grievable.

Plan A. Biweekly Scheduled Hours Reduction.

A.1. Eligibility.

Only full-time employees who have satisfactorily completed their initial probationary period in the state classified service shall be eligible to participate in Plan A.

A.2. Definition.

With the approval of the supervisor and the Appointing Authority, an eligible employee may elect to reduce the number of hours for which the employee is scheduled to work by one (1) to sixteen (16) hours per pay period. The number of hours by which the work schedule is reduced shall remain constant for the duration of the agreement. The employee may enroll for a minimum of one (1) pay period. The standard hours per pay period for the employee to receive the benefits of paragraphs A.3 and A.4. below shall be adjusted downward from eighty (80) by the number of hours by which the work schedule is reduced, but not to an amount less than sixty-four (64.0) hours. Time off on Plan A will be counted against an employee's twelve work week leave entitlement under the Federal Family And Medical Leave Act, if such time off is for a qualifying purpose under the Act and if all other requirements of the law and Collective Bargaining agreement are met.

A.3. Insurances.

All state-sponsored group insurance programs, including long term disability insurance, in which the employee is enrolled shall continue without change in coverages, benefits or premiums.

A.4. Leave Accruals And Service Credit

Annual leave and sick leave accruals shall continue as if the employee had worked or was in approved paid leave status for eighty (80) hours per pay period for the duration of the agreement. State service credit shall remain at eighty (80) hours per pay period for purposes of longevity compensation, pay step

increases, employment preference, holiday pay, and hours until rating. Employees shall incur no break in service due to participating in Plan A.

Plan C. Leave Of Absence.

C.1. Eligibility.

Full-time and part-time employees who have satisfactorily completed their initial probationary period in the state classified service shall be eligible to participate in Plan C. Permanent-Intermittent employees are not eligible to participate.

C.2. Definition.

With the approval of the supervisor and the Appointing Authority, an employee may elect to take one (1) unpaid leave of absence during the fiscal year for a period of not less than one (1) pay period and not more than three (3) months. The three (3) month period is not intended to be cumulative. Time off on Plan C leave will be counted against an employee's twelve work week leave entitlement under the Federal Family and Medical Leave Act, if such time off is for a qualifying purpose under the Act and if all other requirements of the law and Collective Bargaining Agreement are met.

C.3. Insurances.

All state-sponsored group insurance programs with the exception of long term disability (LTD) insurance, in which the employee is enrolled shall be continued without change in coverage, benefits, or premiums for the duration of the leave of absence, by the employee pre-paying the employee's share of the premiums for the entire period of the leave of absence. LTD coverage will not continue during the leave of absence, but will be automatically reinstated immediately upon termination of the leave of absence. If an employee is enrolled in the LTD insurance program at the time the leave of absence is initiated and becomes eligible for disability benefits under LTD during the leave of absence, and is unable to report to work on the agreed-upon termination date for the leave of absence, the return-to-work date shall become the date established for the disability, with the commencement of sick leave and LTD benefits when the sick leave or waiting period is exhausted, whichever occurs later.

C.4. Leave Accruals.

Accumulated annual leave, personal leave, and sick leave balances will automatically be frozen for the duration of the leave of absence. The employee will not accrue leave credits during the leave of absence.

C.5. Service Credit.

An employee shall incur no break in service due to participating in Plan C. however, no state service credit will be granted for any purpose.

FOR THE UNION

Gregory L. Swanson
President

FOR THE EMPLOYER

Janine M. Winters
Director

**Letter of Understanding
Between the
Michigan Department of Transportation
and the
United Technical Employees Association
and
The Office of the State Employer**

TO: All Michigan Department of Transportation Employees Covered by the Collective Bargaining Agreement Existing Between the United Technical Employees Association and the State of Michigan

FROM: United Technical Employees Association and Michigan Department of Transportation

RE: Flexible Work Assignment for Technicians

For more than two years the United Technical Employees Association (UTEA) and the Michigan Department of Transportation (MDOT) have worked together toward reaching an Agreement which will enable Technicians to perform Technical duties in a variety of classifications, thereby opening up new career paths for Technicians and providing MDOT with flexibility in assigning duties to Technicians. As a result of much effort and cooperation between UTEA and MDOT, a Letter of Understanding has been signed and will now be implemented. A copy of this letter is enclosed. It is being sent to every Technician in MDOT and will also be disseminated to management personnel within the department. Also included is an explanation of the major provision of the Letter. This communication is being sent jointly by UTEA and MDOT to illustrate that both parties have agreed upon understanding regarding the provisions contained in the Letter and how they are to be applied. If any Technician has a question regarding these issues, they are to contact UTEA. If any management personnel has a question, they are to contact the MDOT Office of Human Resources.

Joseph Cohn

United Technical Employees Association

C. Thomas Maki

Michigan Department of Transportation

Gregory L. Swanson

United Technical Employees Association

James Farrell

Michigan Department of Transportation

**Letter of Understanding
Between the
Michigan Department of Transportation
and the
United Technical Employees Association"
and
The Office of the State Employer**

The parties have discussed and agreed that give the changes in the work environment, it is imperative that technicians perform a variety of technicians duties. The following Letter of Understanding is being enter into by the parties to provide for flexibility in assigning duties to technicians. This agreement is not designed to alter, amend or modify in any way, the Collective Bargaining Agreement existing between the United Technical Employees Association and the State of Michigan.

RE: Flexible Work Assignment for Technicians

Definitions

Technician Classifications -- The following are classifications covered by this agreement: Drafting, Construction, Traffic, Engineering and Survey Technicians.

Employee -- Anyone hired into a permanent or temporary position in one of the above referenced classifications in the MDOT after the effective date of this agreement.

Existing Employee – Anyone occupying a permanent position in the above listed classifications in the MDOT prior to the effective date of this agreement.

Implementation of New Employees

1. All new employees covered by this agreement will be hired into the department under one of the aforementioned technicians classifications.
2. New employees may be assigned to perform duties outside their classification to any of the technician classifications listed above. Such assignments can be made within a worksite.
3. Such assignments will be made by the employer as needed to meet the department's work load priorities and will be done in a manner that provides employees with an equal opportunity to perform them.
4. Such assignments will not be considered "working out of class" when performed for the training purposes or at the same or lower level.

Implementation of Existing Employees

1. Except in emergency situations existing employees will be given the opportunity to volunteer based on seniority to perform duties outside of their classification under any of the technician classifications listed above.
2. The department will seek volunteers of existing employees within thirty (30) days after the effective date of this agreement. Thereafter, those existing employees who did not participate will be given the opportunity to volunteer during the month of March 1999, and every April thereafter that this agreement is in effect.
3. No existing employee will be required to perform duties outside of their classification.
4. Such assignments will not be considered "working out of class" when performed for training purposes or at the same or lower level.

5. During the period between November 15 and April 15, for the purpose of this agreement, MDOT shall be able to assign existing employees to Winter Assignments in the same manner and under the same conditions that such assignments were made prior to the implementation of this Letter of Understanding.

Travel Status

Employees travel status (Schedule I/II) will be established by the classifications of their primary position and the applicable Travel Regulations.

Overtime

Overtime will continue to be offered, scheduled and assigned in accordance with the provisions of Article 17, Section 14(B) of the Collective Bargaining Agreement, existing between the United Technical Employees Association and the State of Michigan.

Assignments/Reassignment/Transfers

Employees shall continue to be assigned, reassigned and transferred solely in accordance with the provisions of Article 16 of the Collective Bargaining Agreement, existing between the United Technical Employees Association and the State of Michigan.

Duration

The parties agree to the term of this Letter of Understanding for the duration of the primary Agreement. The parties agree that ninety (90) days before the end of this agreement to meet and discuss how this letter of understanding is working, discuss possible changes, and to determine if they wish to continue with this agreement. However, notification should be provided to the other party in writing with forty five (45) days prior to the termination of this agreement.

Bargaining Changes in UTEA - State of Michigan Collective Bargaining Agreement

If as a result of collective bargaining, any new language is adopted that impacts this letter of understanding the parties agree to meet and bargain over the impact of such language on this agreement, within thirty (30) days of ratification of the Collective Bargaining Agreement.

Michigan Department of Transportation

by: *James D. Farrell* Date: 8/19/98

United Technical Employees Association

by: *Joseph Cohn* Date: 8/20/98

Office of the State Employer

by: *Janine M. Winters* Date: 9/8/98

by: *James Wilson* Date: 9/8/98

Explanation of the Major Provisions of the Flexible Work Assignment Letter of Understanding

1. Technician Classifications Covered:

1. Drafting

2. Construction
3. Traffic
4. Engineering
5. Survey

2. New Employee - Anyone hired into a permanent or temporary position with the Michigan Department of Transportation in any of the above cited classes after the effective date of this agreement. These employees will be classified and appointed according to their primary duties.

3. Existing Employee - Anyone occupying a permanent position in the Michigan Department of Transportation in one of the above cited classes prior to the effective date of this agreement.

4. New Employee Assignments

1. Michigan Department of Transportation will be allowed to assign new employee duties in any of the above listed classifications.

2. Assignment of such duties outside of the employees primary classification may only be done within the work site to which the employee is assigned. A work site is a field office, TSC or district office.

3. All employees at a work site within the covered classification will be given an equal opportunity to perform duties outside of their primary classification.

4. Such assignments are not working out of class.

5. Existing Employee Assignments

1. No existing employee will be required to perform work outside of their classification.

2. All existing employees will be given the opportunity to volunteer for assignments outside their classification.

3. Assignment of those who volunteer will be made on a rotating basis, based on seniority, with the most senior being assigned first.

4. Existing employees will have 30 days from the effective date of this Agreement to volunteer.

5. In March of 1999 and every April thereafter that this Agreement is in effect, existing employees will be able to volunteer to participate or to remove themselves from the volunteer list.

6. Michigan Department of Transportation will continue to be able to assign existing employees to Winter Assignments between November 15 and April 15, in the same way as they have in the past.

7. Assignments made under the provisions of the agreement will be made at the same or lower level and will not be considered working out of class.

6. Travel Status - An employee's primary class will determine whether the employee is in Schedule I or Schedule II travel status regardless of the travel status of the temporary assignment.

7. Collective Bargaining Provisions - This letter in no way alters, amends or nullifies any provisions of the Collective Bargaining Agreement existing between the UTEA and the State of Michigan.

**Letter of Understanding
Between the
Michigan Department of Natural Resources
and the
United Technical Employees Association
and the
Office of the State Employer**

RE: Alternative Work Schedule, DNR

The parties cited above have agreed to establish an Alternative Work Schedule for employees represented by UTEA who are employed as Technicians in the Michigan Department of Natural Resources. The elements of the agreement are as follows:

1. This agreement shall be in full force and effect commencing the second pay period in December 1995 and shall remain in full force and effect unless altered through negotiations between the parties.
2. Any employee working under an alternative work schedule in accordance with the provisions of this agreement may return to their previous schedule with a minimum two (2) weeks notice.
3. Employees working an alternative work schedule under this agreement shall be scheduled to work four (4) ten (10) hour days within a work week; or four (4) nine (9) hour days plus one (1) four (4) hour day within a work week as agreed to between the employee and his/her supervisor.
4. An employee who works more than their scheduled hours in a work day or forty (40) hours in a work week shall receive overtime in accordance with the provisions of the Agreement existing between UTEA and the State of Michigan.
5. An employee utilizing sick leave or annual leave in full day increments shall use such leave in their scheduled nine (9) or ten (10) hour increments, except under the following circumstances, in which event employees will revert back to their normal eight (8) hour five (5) day work week.
 - a. Any week in which a holiday falls
 - b. Scheduled vacations
 - c. Any week in which an employee is on approved leave of absence.
6. No employee may be required to work an alternative work schedule.
7. A request by an employee to implement an alternative work schedule as described above may be approved or denied by the Department. Such request shall not be denied in an arbitrary, capricious or discriminatory manner.

Keith Donally

For the Michigan Department of Natural Resources

Date: January 16, 1996

Joseph Cohn

For the United Technical Employees Association

Date: December 21, 1995

Janine M. Winters

For the Office of the State Employer

Date: January 17, 1996

Letter of Understanding
Human Resources Management Network (HRMN)

During negotiations in 2001 the parties reviewed changes in terminology that resulted from the implementation of the new payroll-personnel system HRMN. The parties have elected to continue to use terminology that existed prior to the implementation of HRMN even though that same terminology is not utilized in HRMN. The parties agree that the HRMN terminology does not alter the meaning of the contract language unless specifically agreed otherwise.

An example of this are the terms “transfer, reassignment, and demotion” which are called “job change” in HRMN. The HRMN history record will show each of these transactions as a job change, however they will continue to have the same contractual meaning they had prior to the implementation of HRMN.

FOR THE UNION

Dennis L. Streeter

FOR THE OFFICE OF
THE STATE EMPLOYER

Janine M. Winters

**Letter of Understanding
Pre-Tax Parking/Transportation Benefit**

The parties have discussed the parking/transportation benefit authorized by the internal revenue code, which allows employees to pay parking or transportation expenses out of pre-tax income under certain circumstances. Among the factors discussed was that taking advantage of the parking/transportation benefit reduces an employee's taxable income, and therefore could slightly reduce the amount of the employee's social security benefit.

The Parties Agree As Follows:

1. For bargaining unit employees who pay for parking through payroll deduction, the employer will implement the pre-tax payroll deduction benefit effective with the August 16, 2001 pay date. Prior to implementation, employees will be offered the opportunity to opt out of the benefit (i.e., to continue payroll deduction from after-tax income).
2. As soon as administratively feasible, bargaining unit employees who do not have payroll deduction for parking will be offered the opportunity to establish an account for the purpose of reimbursing out-of-pocket parking expenses. The employee determines the amount of pre-tax income to set aside, and then submits parking receipts for reimbursement from this account.
3. If permitted under the IRS code, the employer will offer the opportunity to establish pre-tax reimbursement accounts to bargaining unit employees who use van pools, buses, or other forms of mass transportation to commute to and from work. Additional research is required to determine whether this benefit can be offered.

FOR THE UNION

Dennis L. Streeter

FOR THE OFFICE OF
THE STATE EMPLOYER

Janine M. Winters